

Message Text

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TEHRAN PASS KHORRAMSHAHR

E.O. 11562: N/A

TAGS: BEXP IR

SUBJECT: SHIPBUILDING AND PORT EQUIPMENT TRADE MISSION

REF: TEHRAN 3630

USDOC (FOR CAGNE, OIM/FE AND SAD)

1. DESPITE CANCELLED HOTEL ROOMS, SUSPENDED TELEPHONE SERVICE, AND MISSED APPOINTMENTS, TRADE MISSION'S VISIT TO IRAN SUCCESSFULLY CONCLUDED ON APRIL 17. ALTHOUGH NO IMMEDIATE SALES ACHIEVED, MISSION MEMBERS ACQUIRED DETAILED INFORMATION CONCERNING VAST IRANIAN REQUIREMENTS FOR SHIPBUILDING, PORT MAINTENANCE AND CARGO HANDLING EQUIPMENT EXPECTED IN COMING YEARS. DESPITE EVIDENT DIFFICULTY OF PENETRATING MARKET, MOST PARTICIPANTS CONSIDERED THIS MISSION EXCELLENT INTRODUCTION AND INTEND CONTINUE EFFORTS IN IRAN.

2. CONFUSION CONCERNING ACCOMMODATIONS REQUIRED FOREGOING EMBASSY BRIEFING SCHEDULED MORNING OF ARRIVAL IN FAVOR OF LUNCHTIME DISCUSSION. HOWEVER, FIRST MEETING THAT AFTERNOON WITH AN IRANIAN AGENCY (ARYA SHIPPING LINES) IMMEDIATELY SET POSITIVE TONE, WITH DIRECTOR GENERAL NOT ONLY DESCRIBING OPERATIONS IN DETAIL BUT ALSO REQUESTING SPECIFIC PRODUCT

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INFORMATION FROM VARIOUS MISSION MEMBERS.

3. ADVANCE PUBLICITY GOOD AND PRESS CONFERENCE BROUGHT A FEW FURTHER PRESS, RADIO, AND TV ANNOUNCEMENTS. RECEPTION SUNDAY EVENING AT US TRADE CENTER (ATTENDED BY AMBASSADOR) ATTRACTED ABOUT 140 WELL QUALIFIED PERSONS FROM SHIPPING AND RELATED FIELDS.

4. EXCELLENT SERIES OF SUBSEQUENT MEETINGS (GENERALLY IN SMALL GROUPS) ARRANGED BY COMMERCIAL SECTION INCLUDED ALL MAJOR POTENTIAL PURCHASERS OF IRANIAN GOVT, AMONG WHICH WERE PERSIAN/GULF FISHERIES, IRANIAN GROUND FORCES TRANSPORTATION COMMAND, NATIONAL IRANIAN OIL CORPORATION, AND PERSIAN GULF SHIPBUILDING CORP. PERHAPS GREATEST INTEREST OF ALL IN US PRODUCTS WAS SHOWN BY PORTS AND SHIPPING ORGANIZATION, WHOSE MANAGEMENT EXPRESSED DISAPPOINTMENT OVER MINIMAL US RESPONSE TO EARLIER TENDERS. FROM DISCUSSION, HOWEVER, MISSION MEMBERS CONCLUDED THAT BIDDING REQUIREMENTS (E.G., GUARANTEE BOND EXTENDABLE BY CLIENT, ENDORSEMENT BY BANK MARKASI, AND CONTRACTS IN FARSI) REPRESENT SIGNIFICANT OBSTACLES. IMPORTANCE OF PREQUALIFYING FOR GOI TENDERS CLEARLY APPARENT.

5. VISIT TO KHORRAMSHAHR AREA FINAL DAY EXCEPTIONALLY VALUABLE FOR PROVIDING VISIBLE DEMONSTRATION OF PORT CONGESTION STILL TO BE OVERCOME TO MEET TRANSPORTATION REQUIREMENTS OF EXPLOSIVE IRANIAN ECONOMIC DEVELOPMENT. ASIDE FROM LIMITED EXPANSION AND IMPROVEMENTS STILL POSSIBLE AT KHORRAMSHAHR ITSELF, MISSION IMPRESSED BY WORK IN PROGRESS AND PLANS FOR ULTIMATE 28 NEW BERTHS, DREDGING, AND MAJOR SHORE FACILITIES AT BANDAR SHAHPOUR. DESPITE ADVANCE WARNING THAT PURCHASING DECISIONS ORDINARILY MADE IN TEHRAN, AT LEAST THREE MEMBERS WERE ASKED BY LOCAL PRIVATE SHIPPERS TO SUBMIT SPECIFIC PROPOSALS. FAREWELL RECEPTION AT CONSULATE REFLECTED CORDIAL INTEREST IN US MISSION AND PERMITTED FURTHER USEFUL DISCUSSION.

6. EXCEPT FOR INTERNATIONAL PAINT REPRESENTATIVE, WHOSE EXPRESSED AIM OF ACHIEVING DIRECT SALES PROVED IMPOSSIBLE, MEMBERS GENERALLY AGREED IRANIAN SHIPBUILDING AND PORT EQUIPMENT MARKET WOULD BE "TOUGH NUT TO CRACK" BUT ONE WELL WORTH THE EFFORT. FOR VARIOUS FIRMS, APPOINTMENT OF UNCLASSIFIED

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LOCAL AGENTS DEEMED ESSENTIAL TO CARRY ON FURTHER CONTACTS AND NEGOTIATIONS, AND SOME DISTRIBUTORSHIPS EXPECTED TO BE FORMED IN COMING MONTHS. OTHER MISSION MEMBERS WILL RETURN TO IRAN OR SEND TECHNICAL SPECIALISTS TO PURSUE NUMEROUS OPPORTUNITIES UNCOVERED DURING FIVE-DAY VISIT.

7. WHILE SOME PARTICIPANTS RELUCTANT MAKE SALES PROJECTIONS WITHOUT FURTHER EXAMINATION OF LEGAL AND TECHNICAL QUESTIONS,

TOTAL FOR NEXT 12 MONTHS SHOULD REACH AT LEAST DOLS10 MILLION.
CONSIDERING TIME REQUIRED FOR PROJECTS TO MATURE IN THIS
FIELD, LONG-RANGE RESULTS COULD BE SEVERAL TIMES THAT
GREAT.
TIGER

MCN FOR TEHRAN WILL FOLLOW

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